

Message Text

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PAGE 01 JAKART 07891 150849Z

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 TRSE-00 SP-02 USIA-06 AID-05

NSC-05 EPG-02 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 H-01 /080 W

-----150854Z 074195 /12

P 150828Z JUN 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 1776

C O N F I D E N T I A L JAKARTA 7891

E.O. 11652: GDS

TAGS: EFIN, EAID, IBRD, ID

SUBJECT: IBRD LOAN FOR INDONESIA FOR SMALL HOLDERS NUCLEUS ESTATE I

REF: A) JAKARTA 7817, B) STATE 136947

1. WE DISCUSSED POSSIBLE INDONESIAN POSTPONEMENT OF IBRD LOAN APPLICATION JUNE 15 WITH DR. JULIANTO, DIRECTOR GENERAL IN FINANCE MINISTRY. ALTHOUGH JULIANTO IS PROBABLY PRINCIPAL ACTION OFFICER ON THIS ISSUE IN GOI AND DESPITE DISCUSSIONS WE AND IBRD REP HAVE HAD WITH KEY MINISTERS AND OTHERS, JULIANTO DID NOT EVIDENCE ANY PRIOR UNDERSTANDING OF THE ISSUE OTHER THAN THAT FROM BRIEF EXPLANATION GIVEN HIM WHEN WE MADE APPOINTMENT.

2. JULIANTO POINTED OUT DIFFICULTIES WHICH POSTPONEMENT WOULD CAUSE SINCE LOAN IS FOR A NUMBER OF SMALL PROJECTS ONLY ONE OF WHICH IS PALM OIL BUT ALL OF WHICH WOULD HAVE TO BE DELAYED. HE ALSO NOTED THAT EVEN IF GOI WERE TO AGREE TO POSTPONEMENT, IT STILL WOULD HAVE NO ASSURANCE OF USG SUPPORT FOR LOAN SINCE SUPPORT WILL DEPEND ON WHAT, IF ANY, CONGRESSIONAL RESTRAINTS ARE IMPOSED. NOTWITHSTANDING THESE RATHER NEGATIVE OBSERVATIONS, JULIANTO WAS NOT OPPOSED TO POSTPONEMENT BUT HE WAS NON-COMMITAL, AND
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SAID HE WOULD HAVE TO CONSULT WITH OTHERS CONCERNING DECISION. HE SAID HE WOULD LET US KNOW DECISION WHEN TAKEN. WE STRESSED URGENCY OF MATTER IN VIEW OF JUNE 23 DATE FOR EXECUTIVE BOARD CONSIDERATION.

3. WORLD BANK REPRESENTATIVE BANETH DEPARTED ON HOME LEAVE YESTERDAY BUT WE CONFIRMED THROUGH HIS DEPUTY THAT

BEFORE HE DEPARTED BANETH DISCUSSED MATTER WITH FINANCE MINISTER WARDHANA. ALTHOUGH DISCUSSION REPORTEDLY WENT FAIRLY WELL, DEPUTY STATED IBRD HAS NOT GOTTEN ANY ASSURANCES FROM INDONESIANS ON HOW THEY WOULD REACT IF LOAN CONSIDERATION WERE POSTPONED. DEPUTY SUGGESTED THAT PERHAPS MATTER COULD BE SIDE-STEPPED BY IBRD INACTION IN NOT PLACING LOAN ON AGENDA FOR BOARD CONSIDERATION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OILS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770213-0409
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770655/aaaabwdn.tel
Line Count: 71
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Original Previous Classification: n/a
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SAS ID: 2146271
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TAGS: EFIN, EAID, ID, IBRD, (JULIANTO)
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